

Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 NEAE-00 IO-14 SAM-01 SAB-01

PM-07 NSC-07 SP-03 SS-20 RSC-01 L-03 H-03 AID-20

IGA-02 CIEP-03 OMB-01 TRSE-00 AGR-20 EB-11 COME-00

CIAE-00 INR-11 NSAE-00 DRC-01 /171 W

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P R 191331Z SEP 74

FM AMEMBASSY MANAMA

TO SECSTATE WASHDC PRIORITY 1509

INFO COMIDEASTFOR

AMEMBASSY ABU DHABI

CINCUSNAVEUR LONDON UK

CNO WASHINGTON DC

DOD WASHINGTON DC

SECNAV WASHINGTON DC

C O N F I D E N T I A L SECTION 1 OF 2 MANAMA 0751

ABU DHABI FOR SOBER

SECDEF FOR ISA

E.O. 11652: GDS

TAGS : MARR, BA, US

SUBJECT : RETAINING MIDDLE EAST FORCE IN BAHRAIN: TECHNICAL
ASSISTANCE

REF: MANAMA 746, 726, 723, 646, 644

1. SUMMARY: DURING SOBER VISIT DEVELOPMENT MINISTER SHIRAWI
DETAILED GOB'S NEEDS FOR AMERICAN EXPERT ADVISORS, STRESSING
POLITICAL AND ECONOMIC NECESSITY FOR SIGNIFICANT USG CONTRIBUTION
TOWARD FUNDING THEM. HE INDICATED GOB WILLINGNESS TO SEPARATE
THIS PROBLEM FROM OTHER ASPECTS MIDDLE EAST FORCE PACKAGE IF WE
CAN GIVE ASSURANCE IN GOOD FAITH THAT WE WILL BE FORTHCOMING.

REQUEST GUIDANCE

ON STATUS DEPARTMENT'S EFFORTS TO COME UP WITH

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MEANS TO TOP SALARIES OF LIMITED NUMBER OF AMERICAN ADVISORS

HERE. ALSO REQUEST CONSIDERATION, APART FROM THIS LONG TERM QUESTION, OF ONE-TIME GESTURE OF SUPPORT TO GOB POSSIBLY THROUGH PL-480 COMMODITY SHIPMENTS ON FAVORABLE LOAN TERMS. END SUMMARY.

2. AS REPORTED MANAMA 746 DEVELOPMENT MINISTER SHIRAWI IN SEPTEMBER 16 MEETING WITH DEPUTY ASSISTANT SECRETARY SOBER FURTHER DESCRIBED POLITICAL AND ECONOMIC IMPORTANCE GOB ATTACHES TO RECEIVING ASSISTANCE FROM LIMITED NUMBER USG TECHNICWE ADVISORS PROVIDED ON CONCESSIONAL TERMS. SHIRAWI EXPLAINED IN DETAIL POLITICAL PROBLEMS CONTINUED US NAVY PRESENCE IN BAHRAIN POSES FOR GOB, POLITICAL NEED TO PUT NAVY PRESENCE IN CONTEXT OF BROADER RELATIONSHIP FOCUSED ON DEVELOPMENT OF CIVILIAN SECTORS OF BAHRAINI SOCIETY, AND GOB'S CONCLUSION THAT PRESENCE OF A SMALL NUMBER OF USG-SPONSORED EXPERTS WOULD BE BEST MEANS TO MANIFEST THIS BROADER RELATIONSHIP SINCE US TECHNICAL ASSISTANCE LONG DESIRED HERE ON ITS OWN MERITS. SHIRAWI ALSO EXPLAINED IN DETAIL THAT WHILE GOB DOES NOT WANT HAND-OUTS AND WANTS TO CONTRIBUTE TOWARD COSTS OF ANY AMERICAN ADVISORS HERE, IT URGENTLY FEELS NEED FOR USG TO MAKE A CONTRIBUTION TO OFFSET COSTS OF ADVISORS. THIS IS PARTLY BECAUSE AMERICAN ADVISORS ARE MORE EXPENSIVE THAN BRITISH AND OTHERS. MAINLY, HOWEVER, IT IS BECAUSE GOB NEEDS A TOKEN OF TANGIBLE US SUPPORT TO SHOW BAHRAINI PEOPLE AND ARAB NEIGHBORS THAT BAHRAIN IS "GETTING SOMETHING OUT OF HAVING US NAVY IN BAHRAIN".

3. SHIRAWI EXPLAINED THAT WHAT GOB HAS IN MIND IS, AT LEAST, INITIALLY, NO MORE THAN TEN AND PROBABLY FEWER TOP-FLIGHT AMERICAN PROFESSIONALS WHO WOULD SERVE AS ADVISORS TO GOVERNMENT IN KEY AREAS OF BAHRAINI ECONOMIC/SOCIAL DEVELOPMENT ACTIVITIES. HIS CONCEPT IS THAT THESE AMERICANS WOULD WORK DIRECTLY WITH APPROPRIATE BAHRAINI MINISTERS AND WITH BAHRAINI COUNTERPARTS FOR TRAINING PURPOSES, ADVISING, "HAND HOLDING", PLANNING, AND DEALING WITH MAJOR DAY-TO -DAY OPERATIONAL PROBLEMS. A KEY FUNCTION WOULD BE TO ACT AS COUNSELOR AND AGENT FOR MINISTERS IN SELECTING CONSULTANTS FOR DEVELOPMENT PROJECTS, AND DEALING WITH THEM, INCLUDING APPROVING SPECIFICATIONS. FOR THIS REASON IT WOULD BE ESSENTIAL THAT THE AMERICANS PROVIDED BE PREPARED TO WORK IN BAHRAIN FOR AT LEAST TWO YEAR TOURS TO DEVELOP A GOOD GRASP OF THE LOCAL SCENE, INC-

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CLUDING SPECIAL PROBLEMS AFFECTING THEIR AREAS OF RESPONSIBILITY, AND EFFECTIVE WORKING RELATIONSHIPS WITH LOCAL OFFICIALS. SHIRAWI AGAIN REJECTED THE SUGGESTION THAT SHORTER TERM VISITS BY

AMERICAN EXPERTS MIGHT MEET GOB NEEDS, REPEATING HIS STANDARD PHRASE, " WE DO NOT NEED SOMEONE TO TELL US WHAT IS WRONG; WE NEED SOMEONE TO WORK WITH US IN PUTTING IT RIGHT".

4. SPECIFICALLY, SHIRAWI CITED THE NEED FOR: A) AN ADVISOR ON THE DEVELOPMENT OF ELECTRICITY; B) AN ADVISOR ON CONSERVATION AND UTILIZATION OF UNDERGROUND WATER RESOURCES; C) AND ADVISOR ON DESALINIZATION; D) ONE OR MORE ADVISORS IN PUBLIC HEALTH ADMINISTRATION; E) ONE OR MORE ADVISORS IN EDUCATION, PARTICULARLY VOCATIONAL EDUCATION; F) AN ADVISOR ON DEVELOPMENTS IN CONNECTION WITH THE CONSTRUCTION OF THE OAPEC DRY DOCK AND THE DEVELOPMENT OF RELATED SERVICE INDUSTRIES. IN EARLIER CONVERSATIONS SHIRAWI HAD ALSO MENTIONED THE NEED FOR AN ADVISOR ON OVERALL ECONOMIC PLANNING AND THE POSSIBLE NEED FOR AN INTERNATIONAL COMMODITIES EXPERT IN VIEW OF THE GOB'S INCREASING RESPONSIBILITIES FOR REGULATING AND SUBSIDIZING THE IMPORT AND DISTRIBUTION OF BASIC FOODSTUFFS.

5. MR. SOBER EXPLAINED AT LENGTH AND PERSUASIVELY THAT BAHRAIN'S DESIRE FOR AMERICAN TECHNICAL ASSISTANCE IS TOTALLY IN ACCORD WITH US POLICY TOWARD BAHRAIN AND THE GULF, BUT THE PROBLEM IS A STATUTORY AND BUDGETARY ONE OF PROVIDING AMERICANS THROUGH GOVERNMENT AUSPICES AT A COST WHICH THE GOB FEELS IT CAN AFFORD. HE REVIEWED EFFORTS TO DATE IN THE USG TO OBTAIN "SALARY TOPPING" AUTHORITY AND EXPLAINED WHY WE ARE UNABLE TO MAKE A COMMITMENT AT THIS TIME TO PROVIDE LONG TERM AMERICAN ADVISORS ON OTHER THAN A FULLY REIMBURSABLE BASIS.

6. SHIRAWI INDICATED AWARENESS OF THIS PROBLEM BUT SAID THAT THE USG'S INABILITY TO PROVIDE A RELATIVELY SMALL AMOUNT OF FINANCING TO SUPPORT MUTUAL INTERESTS IN BAHRAIN WAS SIMPLY UNCONVINCING TO LOCAL AND ARAB OPINION, PARTICULARLY IN VIEW OF LONG-STANDING AMERICAN GENEROSITY TOWARD ISRAEL, WHICH THE ARABS REGARD AS A WEALTHY AND DEVELOPED COUNTRY. HE REMAINED FIRM IN HIS INSISTENCE THAT THE GOB MUST HAVE, THROUGH SOME MEANS NOT DIRECTLY LINKED TO THE QUESTION OF US NAVY

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C O N F I D E N T I A L SECTION 2 OF 2 MANAMA 0751

PRESENCE, A USG CONTRIBUTION TOWARD THE COST OF AMERICAN
TECHNICAL ADVISORS. HE MADE IT QUITE CLEAR, HOWEVER, THAT
IF THE USG COULD UNDERTAKE IN GOOD FAITH TO RESOLVE THIS
PROBLEM IN COMING MONTHS, THE GOB WOULD NOT INSIST ON
DIRECTLY LINKING THE FINANCING OF TECHNICAL ASSISTANCE TO THERE
OTHER
ISSUES INVOLVED IN DETERMINING FUTURE OF US NAVY HERE
(STATIONING AGREEMENT AND LEASE QUESTIONS). HE THEN URGED
IMPORTANCE OF TAKING IMMEDIATE STEPS TO IDENTIFY AND RECRUIT
THREE OR SO AMERICAN EXPERTS IN ORDER TO HAVE THEM HERE
QUICKLY ONCE FUNDING QUESTION RESOLVED.

7. COMMENT: THIS CATEGORIC INDICATION GOB WILLING TO LET
TECHNICAL ASSISTANCE FUNDING QUESTION BE CUT LOOSE FROM
MIDEASTFOR "PACKAGE" ON ASSURANCE WE QUICKLY WILL COME UP
WITH ANSWER TO FUNDING QUESTION IS A SIGNIFICANT STEP FORWARD.
AT SAME TIME, GOB IS AMPLY ON RECORD THAT IT FEELS UNABLE TO
JUSTIFY CONTINUED NAVY PRESENCE UNTIL USG PROVIDES AND FUNDS
IN PART AMERICAN ADVISORS HERE. IN SUBSEQUENT LUNCHEON
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MEETING, AFTER CALL ON AMIR AND PRIME MINISTER (MANAMA 746)
I URGED SHIRAWI TO ACCEPT PROPOSED REIMBURSABLE TECHNICAL
ASSISTANCE AGREEMENT AS FRAMEWORK FOR GETTING RECRUITMENT
OF DESIRED AMERICAN ADVISORS UNDERWAY WHILE WE EXPLORE FURTHER
POSSIBILITIES OF SALARY TOPPING. HIS TENTATIVE REACTION WAS
SOMEWHAT FAVORABLE, PROVIDING USG IN GENEROUS IN ADJUSTING
NAVY'S RENT AND GOB CAN SAY WITH ASSURANCE THAT IT IS WORKING OUT
DETAILS WITH USG ON PROVIDING AMERICAN ADVISORS IN BAHRAIN ON
CONCESSIONAL TERMS.

8. WOULD APPRECIATE ANY GUIDANCE DEPARTMENT CAN GIVE AT THIS
TIME ON STATUS OF PROPOSAL THAT SALARY TOPPING FOR BAHRAIN BE
SOUGHT IN CONTEXT OF AUTHORITY AND FUNDS FOR SALARY TOPPING
WORLDWIDE TO MAKE AMERICAN TECHNICAL ADVISORS COMPETITIVE IN
NON-AID COUNTRIES OF SIGNIFICANT COMMERCIAL INTEREST. ARE
THERE ANY OTHER IDEAS THAT HAVE EVOLVED SINCE MY WASHINGTON
CONSULTATION AS TO HOW WE MIGHT HELP FINANCE A SMALL TECHNICAL

ASSISTANCE PROGRAM IN BAHRAIN? AFTER NUMEROUS TALKS WITH GOB
ON THIS QUESTION I AM PERSUADED THAT IN THE FUTURE BAHRAIN
MIGHT WELCOME SAUDI AND KUWAITI FINANCING OR US PRIVATE INDUSTRY
OR FOUNDATION FINANCING OF SUBSTANTIAL PORTION OF US
TECHNICAL ASSISTANCE PRESENCE HERE, BUT THAT IN ORDER TO
PERSUADE THEM TO ACCEPT THIS CONCEPT, USG ITSELF MUST FIRST
COME FORWARD WITH ITS OWN CONTRIBUTION.

9. ADDITIONAL GESTURE: AS WE LOOK TO WAYS TO HELP FINANCE
LONG-TERM TECHNICAL ASSISTANCE PROGRAM IN BAHRAIN I URGE WE
ALSO CONSIDER A ONE-TIME GESTURE OF SUPPORT TO BE
MADE VOLUNTARILY IN CONNECTION WITH GOB DECISION TO RETAIN
MIDDLE EAST FORCE. ONE IDEA THAT OCCURS, AND WHICH WAS OF
INTEREST TO DEPUTY ASSISTANT SECRETARY SOBER DURING HIS
VISIT, WAS USG FINANCING ON FAVORABLE TERMS OF WHEAT AND/OR
RICE SHIPMENTS UNDER PL-480. GOB IS CURRENTLY FACING SOME
POLITICAL AND ECONOMIC PRESSURE BECAUSE OF RISING WORLD
COSTS OF THESE COMMODITIES AND IS UNDERTAKING LOCAL SUBSIDY
TO FIGHT INFLATIONARY IMPACT. IF WE COULD OFFER ONE-TIME
AGREEMENT TO MAKE SHIPMENTS OF APPROXIMATE VALUE OF 2 MILLION
DOLLARS WITH CONCESSIONAL INTEREST RATES AND REPAYMENT TERMS
INCLUDING INITIAL MORATORIUM ON PRINCIPAL REPAYMENTS, GOB
MIGHT CONSIDER THIS AS EXCEPTIONALLY TIMELY AND HELPFUL
EVIDENCE OF US SUPPORT AND INTEREST. WOULD APPRECIATE
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DEPARTMENT'S VIEWS.
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